



White Mountain Fire Protection District

25470 Hwy 6, Benton California 93512

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RESERVE POLICY

Purpose Of Reserve

A reserve provides protection from risk. White Mountain Fire Protection District faces risks like revenue shortfalls during recessions and losses from extreme events. Reserves help make sure that White Mountain Fire Protection District can respond quickly and decisively to extreme events. Reserves also support vital public services during revenue declines. A reserve policy describes how much we will try to retain in our reserve. It also describes acceptable uses of reserves.

The Size of White Mountain Fire Protection District's Reserve

White Mountain Fire Protection District will try to hold the following amounts in reserves. The amount of money held in reserve is stated as a percent of revenues. [Expenses can be used too. A government will want to select one that is a reliable indicator of its ongoing budget]. This is so that White Mountain Fire Protection District's reserve stays consistent with the size of the budget over time.

- At a minimum, the reserve will be equal to at least 10% of revenues.
- The maximum size of the reserves is 25% of revenues

White Mountain Fire Protection District's finance department will conduct long-range forecasting to decide if White Mountain Fire Protection District is likely to stay within its range of reserves.

If the minimum reserve is not kept during the forecast period, the Chief will work with the Treasurer to develop a plan to bring the reserve to the desired amount. This plan will be offered to the District Board for consideration.

If the maximum reserve is exceeded during the forecast period, White Mountain Fire Protection District may spend the excess reserves. Reserves should be treated as a one-time revenue, as per White Mountain Fire Protection District's policy on one-time revenues.

Acceptable Uses of Reserves

Reserves are meant to address unexpected, nonrecurring costs. Reserves should not be used for recurring annual operating costs. An exception is poor economic conditions or events that disrupt White Mountain Fire Protection District's revenues. In such cases, reserves may be used to provide short-term relief so that White Mountain Fire Protection District can restructure its operations in an orderly manner.

Authority to Use Reserves

The District Board may authorize the use of reserves for purposes consistent with this policy.



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Replenishment of Reserves

If White Mountain Fire Protection District uses its reserves and those reserves are below the allowed maximum, then the Chief and Treasurer will propose a plan for the replacement of the reserves. The District Board will review and approve the plan. White Mountain Fire Protection District will try to replace the reserves within the minimum amount of time that is practical.